

EXHIBIT 15

[Filed Under Seal]

PARTNERSHIP DEVELOPMENT

DEPARTMENTAL EXECUTIVE SUMMARY To CCA BOARD OF DIRECTORS MAY 14, 2015

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PARTNERSHIP DEVELOPMENT HIGHLIGHTS

As of April 24, 2015

- **ICE** – ICE has contracted with CCA for up to 2,400 family detention beds in Dilley, TX. We expect the facility to be completed in late May of 2015. We are currently detaining more than 600 adult women and accompanied minors.
- **USMS Population Increases** – The average number of prisoners in CCA facilities increased by approximately 560 prisoners between the fourth quarter of 2014 and the first quarter of 2015. Of this growth, approximately 65% was realized in our Central Arizona and Florence facilities in Arizona. The remaining growth was realized in various other CCA facilities including Nevada Southern, Webb and Torrance, which experienced the highest quarter-over-quarter growth respectively behind Central Arizona/Florence.
- **Arizona** – Ramp of the second group of 500 Arizona inmates was completed on schedule with the facility now housing the current contractual cap of 1,000 inmates. Partnership Development had a successful past legislative session accomplishing its three primary goals: 1) full funding of our contract included in the state's budget (approximately \$24 million); 2) authorization for the state to seek additional private sector beds to address overcrowding (1,000 new beds July 2016); and 3) no enactment of legislation harmful to CCA.
- **Colorado** – We were successful this legislative session in getting a 1.7% per diem increase and 12.5% population increase (400 inmates) included in the state's 2016 budget (begins July 1, 2015).
- **Oklahoma** – Partnership Development is in active discussions with the Oklahoma Department of Corrections on a contract to reactivate our idled Diamondback facility. Discussions are focused on an initial population of 1,000 offenders should the state legislature provide funding authorization. The Department has made this item their number one priority for the upcoming legislative session which runs through May 2015.
- **Tennessee** – Construction of the new Trousdale Turner Correctional Center is on schedule for activation with Tennessee inmates beginning in Q1 2016. Governor Haslam's budget proposal ensures the facility receives sufficient funding to reach full occupancy (2,552 beds) during 2016.
- **Communications/Public Affairs Consolidation** –We successfully consolidated the Public Affairs and Communications teams into one Communications department, enhancing both the efficacy and efficiency of the company's communications efforts with both external and internal stakeholders.
- **Reputational Ad Campaign** – We completed enhancements to the ChangeInPeople.com website that will lead to greater user experience and time spent on the site, while further refining related targeted advertising that continues to exceed industry standards.
- **PIO Training** – We conducted annual orientation training for fifteen new primary and backup facility public information officers.

GROWTH OPPORTUNITIES FOR NEW BEDS

As of April 24, 2015

PROBABILITY TABLE – NEW BED OPPORTUNITIES			
Opportunity	Low	Medium	High
Expand Arizona contract at Red Rock Correctional Center			1,000
Arizona RFP for new private facility after 2016	1,000		
California Department of Corrections and Rehabilitation (CDCR) instate community corrections contracts	300		
Expand Colorado contract			400
Lease Prairie facility to Minnesota (real estate only transaction)	1,600		
Expand New Mexico Women's Correctional Facility	150		
Oklahoma RFP award for Diamondback		1,000	
Partnership with ICE on new facility in the Chicago, Illinois area	700		
Expansion of beds and ICE office space at Laredo	384		
Bernalillo County, New Mexico at Torrance	500		
Award to house jail populations for the City of Mesa, Arizona and other East Valley Cities		400	
Fulton County (Atlanta), GA new CII opportunity (purchase/manage)*	1,200		
Increase in USMS populations: Arizona 200 (High), Leavenworth 50 (Med), Webb 50 (Med), West Tennessee 50 (Low), Torrance 150 (high)	50	100	350
New ICE contract award at the Houston Processing Center			200
Purchase and manage Knox County, TN facility**	1,500		
Purchase the Metro-Davidson County Detention Facility		1,348	
Lease/Purchase opportunity for expanding existing Hamilton County, TN facility	1,000-1,700		
New San Diego construction and ICE contract award or modification to existing agreement	700		
Partnership with Riverside County, CA to construct new jail facility***	2,000-2,500		
Potential acquisition of Donald W. Wyatt Detention Facility located in Central Falls, RI****		800+	
Bed Totals	11,084 – 12,284	3,648	1,950

High Probability = 75% or greater

Medium Probability = Approximately 50%

Low Probability = Approximately 25% or less

GROWTH OPPORTUNITIES FOR NEW BEDS

As of April 24, 2015

***Atlanta/Fulton County, GA**

We continue to work with Fulton County and the City of Atlanta on how best to meet each municipality's concerns. We have offered to purchase the 1,300-bed Atlanta facility, manage the Fulton County inmate population, or purchase and lease back to the county for county operation.

****Knox County, TN**

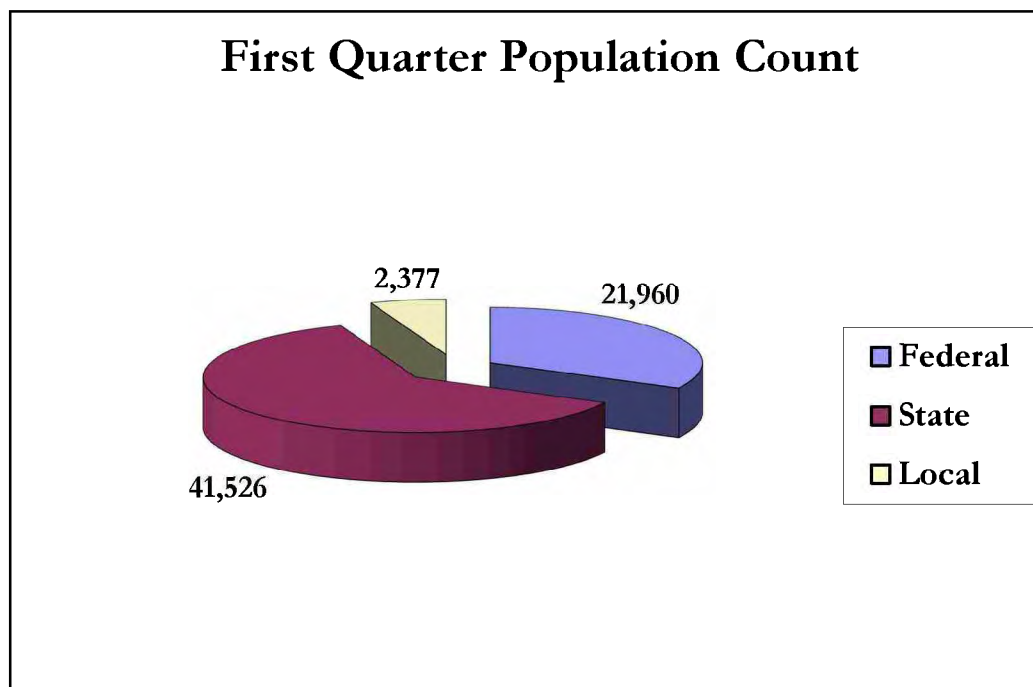
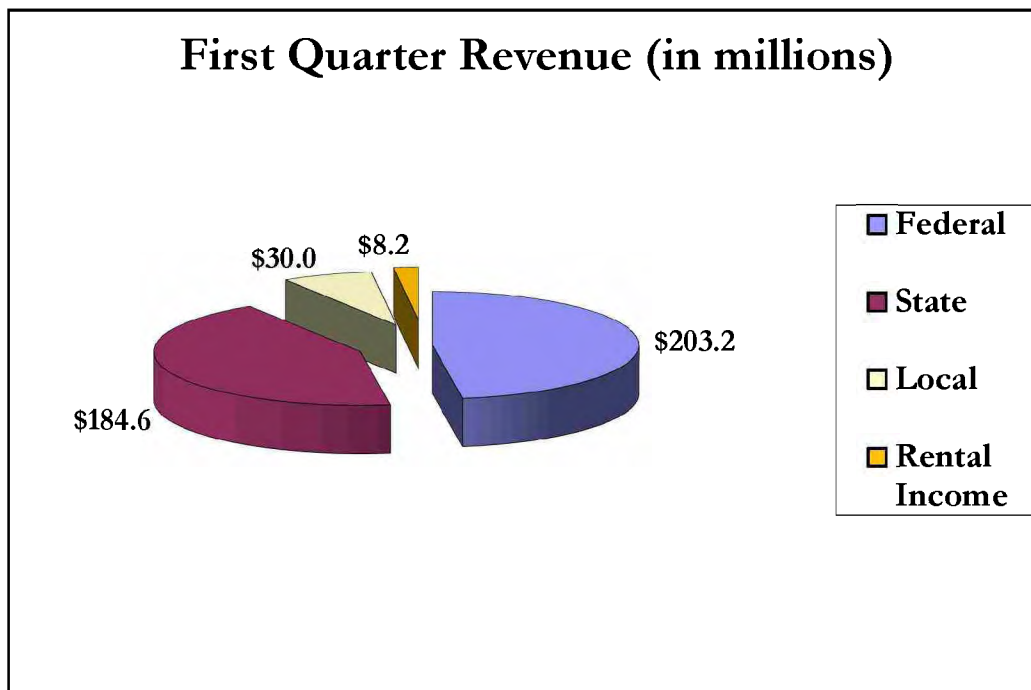
We continue to work with the sheriff and the county mayor to push for an RFP for facility purchase and manage. The sheriff has led the discussions about the need to raise funds for additional county safety projects and relieve him of his responsibility for the operation of the jail.

*****Riverside County, CA**

We continue to work with Riverside County's Probation Department to potentially provide a "CAI model" for their residential re-entry population. The county is working with our Real Estate group to help identify a potential location for a new conditional use permit. Additionally, we are working with the county administrator to assist with Riverside County's corrections capital needs. We are currently discussing a potential expansion of one of their jail facilities.

******Donald W. Wyatt Detention Facility (Wyatt)**

The Wyatt facility is an 800+-bed facility located in Central Falls, RI that has previously housed USMS and ICE detainees. The facility has been struggling financially for several years. We have been engaging the bondholders of the facility to evaluate as a potential acquisition.



Federal Legislative and Executive Branch Updates

Outreach during the first quarter was focused largely on Congressional members and staff on issues relating to ICE detention funding for the remainder of FY15, the FY16 budget request released in early February and BOP and ICE contracts.

FY15 ICE Detention Funding

- In mid-January 2015, the House passed a bill to provide full-year FY15 funding for the DHS/ICE; the House-passed bill provided a total of \$5.96 billion for ICE, an increase of \$689.4 million above the fiscal year 2014 enacted level. This included \$3.4 billion for ICE detention programs, reflecting significant increases above the budget request to sustain 34,000 detention beds (the budget request proposed funding for only 30,539 detention beds) and to fund 3,732 family residential beds (including those at CCA's Dilley, TX facility) during the remainder of FY15.
- The House-passed bill also included provisions that prohibited the DHS from funding deportation deferral programs ordered by the President in the fall of 2014. Because the Senate was not able to pass the bill with those immigration provisions in it prior to the expiration of the short-term Continuing Resolution (CR) on February 27, House and Senate leadership were ultimately forced to push through a compromise, "clean" DHS/ICE funding bill without the House-passed immigration provisions; this legislation was approved on March 3 and provides the DHS/ICE with the necessary funding (the detention bed portions of which are outlined above) to operate through the end of the fiscal year on September 30, 2015.

FY16 Budget Request

President Obama released his FY16 budget request for the federal government on February 3. Provided below is a summary of that request for our three federal agency partners after review of the request and the related budget justifications:

BOP – The FY16 budget request for the BOP is \$7.344 billion (\$423.7 million more than enacted FY15 funding). Notable increases proposed include conversion of an existing BOP facility into a medical referral center and increases in mental health staffing and inmate reentry programming. Of the total amount proposed for the BOP, \$1.143 billion is requested for BOP Contract Confinement (which includes contracts for privately-operated prisons, Residential Reentry Centers, state and local facilities and home confinement). The amount requested in FY16 for Contract Confinement is \$89 million more than was funded in FY15, with most of that increase proposed (1,870 additional beds) for Residential Reentry Centers. According to the BOP budget justification for FY16, the BOP is projecting to have 42,437 inmates in Contract Confinement facilities in FY15 and 43,642 in FY16. For the BOP Construction account, the administration is proposing only \$14 million (\$11 million less than enacted FY15 funding), continuing a multiple year trend of minimal funding for new BOP construction.

USMS Federal Prisoner Detention – The FY16 budget request for USMS federal prisoner detention is \$111 million less than enacted FY15 funding. This decrease is based on lower projected average daily federal detention populations – 56,823 in FY16 as compared to 57,484 in FY15. The USMS budget justification states that *"beginning in FY14, the USMS has observed a substantial curtailment of the number of prisoners received for prosecution"* and that, additionally, *"continuing initiatives such as fast-tracking the prosecution of selected offenses, expediting the designation and transfer of sentenced prisoners to BOP correctional institutions and utilizing detention alternatives have proven successful at reducing detention time, particularly during the period post-sentencing. These factors combined have resulted in a substantial decrease in the detention population from peak levels."*

ICE Detention – The FY16 budget request for ICE includes a \$435 million increase over FY15 level for ICE detention space. The proposed increase would allow ICE to fund an average daily detention population of 34,040 (31,280 adult detention beds at an estimated average of \$123.54 per day and 2,760 family residential beds at an estimated average of \$342.73 per day). The amount requested for family residential beds would fully fund operations at CCA's South Texas Family Residential Center in Dilley, TX, as well as similar facilities in Karnes City, TX and Berks, PA. The budget request for ICE also proposes increased funding for the Alternatives to Detention (ATD) program – expanding it from an average daily population of 37,650 in FY15 to 53,000 in FY16.

Facility- and Project-Specific Outreach

South Texas Family Residential Center (Dilley TX) – During the first quarter, we continued to brief and update various members of Congress and House and Senate committee staff on the operational and financial aspects of the contract, including newly elected Representative Will Hurd (R-TX), whose Congressional district includes the Dilley facility; Representative John Carter (R-TX), chairman of the House Appropriations subcommittee that funds ICE; and Senator John Cornyn (R-TX). Senator John Hoeven (R-ND) and Senator Jeanne Shaheen (D-NH), chairman and ranking member respectively of the Senate Appropriations subcommittee that funds ICE, visited the Dilley facility in early April along with Senate Appropriations committee staff. We expect similar visits to continue throughout the spring and summer, as there is significant congressional interest in the operations of the facility.

Legislative/Policy Issues

Immigration Reform

As previously reported, President Obama signed a series of Executive Orders in November 2014 to defer deportations and grant protections to many people who are in the country illegally, but have significant ties to the country.

The President's orders expand the 2012 Deferred Action for Childhood Arrivals (DACA) program, which offers temporary relief from deportation and the right to apply for work authorization for certain unauthorized immigrants who came to the United States before their 16th birthdays and before June 2012. Expansion will now include individuals who were brought to the U.S. before January 1, 2010, regardless of how old they are now. Parents of U.S. citizens/permanent residents who have lived in the U.S. for five years can also apply for work permits and deferred deportation.

The President's executive actions further aim to centralize border security and maintain current resources for Customs and Border Patrol (CBP) and ICE in order to enhance and promote border removals. Through the use of a newly developed Priority Enforcement Program (PEP), the DHS clarifies that the government's immigration enforcement activity should be focused on national security threats – illegal immigrants with criminal records, gang affiliations or ties to terrorism. Assuming that border enforcement remains largely unchanged, the largest potential impact these actions could have on our ICE populations would be a shrinking of the pool of illegal aliens susceptible to interior enforcement, which only accounts for one third of total removals. Most removals result from border apprehension. It is estimated that close to five million illegal immigrants will qualify for deportation relief. By granting relief to those five million in the interior, the pool of people otherwise susceptible to interior enforcement shrinks. In 2013, there were 140,000 removals via interior enforcement – 35,000 of those were either noncriminal or immigration only. If five million of eleven million illegal immigrants are granted deportation relief, that would reduce noncriminal interior removals to 15,900 per year. Based on a 30-day average detention stay, the average daily detention populations would be reduced by 1,325.

In mid-February, a coalition of 26 states (led by Texas) filed a lawsuit against the Obama Administration in an effort to permanently halt the implementation of the President's executive orders on immigration. U.S. District Judge Andrew Hanen of South Texas has ordered a temporary injunction on the President's executive actions while the case is making its way through the courts. The injunction prevents any implementation of the President's deferred action programs until a resolution is reached or the court decides otherwise. This injunction ultimately played a major role in the February budget battle between the House, Senate and White House to fully fund the DHS/ICE. After reluctantly passing a bill to fully fund the DHS for FY15, House and Senate Republicans are hoping the court will determine that President Obama's executive orders are unconstitutional, which will alleviate their concerns regarding the DHS's funding of these programs. On April 7, Judge Hanen denied a request from the Justice Department to lift the temporary injunction, unveiling a confirmation from the department that more than 108,000 people have already received reprieves from deportation. The DOJ asserts that these deferrals were processed under 2012 guidelines not barred under the injunction, while the coalition of states leading the challenge speculates that these deferrals were processed contrary to the injunction. Judge Hanen has ordered the DOJ to provide more information by April 21. We will continue to monitor the status of the injunction and the lawsuit against the administration as the case continues.

Criminal Justice Reform Initiatives

The first quarter marks the beginning of the 2016 Presidential Campaign cycle, and many elected officials and public figures on both sides of the political spectrum have placed criminal justice reform on their political agendas. Below are some examples of these reform initiatives:

Smarter Sentencing Act

- In early February, Senators Mike Lee (R-UT) and Dick Durbin (D-IL), joined by Senator Ted Cruz (R-TX), Senator Patrick Leahy (D-VT), and Senator Cory Booker (D-NJ), announced legislation to reform federal drug sentencing policies by giving federal judges more discretion in sentencing those convicted of nonviolent drug offenses. Advocates of sentencing reform assert that mandatory minimum sentences are responsible for the rise in the U.S. prison population. Conservative advocates of criminal justice reform tend to approach the issue from

a fiscal angle as well as a concern for individual liberty, maintaining that sentencing reform is necessary in order to address tight federal budgets, overcrowding and excessive costs to the taxpayer, and arguing that federal judges should be given broader authority to conduct individualized reviews with respect to sentencing drug offenders. Senator Lee stated that "*the Smarter Sentencing Act (SSA) is a commonsense solution that will greatly reduce the financial and, more importantly, the human cost imposed on society by the broken status quo. The SSA will give judges the flexibility and discretion they need to impose stiff sentences on the most serious drug lords and cartel bosses, while enabling non-violent offenders to return more quickly to their families and communities.*" More liberal proponents of reform have relied primarily on humanitarian arguments and a distaste for what they see as "prison for profit" initiatives. These advocates tend to oppose private corrections in general, arguing that mandatory minimum sentencing perpetuates an incentive for the privatization of prisons.

- While we believe that the chances of enacting the SSA and similar measures, on an individual basis, are low (most notably due to the strong opposition of the House and Senate Judiciary Committee chairmen), there will continue to be significant legislative activity in this area.

Colson Prison Task Force

As previously reported, a congressionally mandated task force established to study the federal prison system was named in December 2014. Chaired by former House members J.C. Watts (R-OK) and Allan Mollohan (D-WV), the Charles Colson Task Force on Federal Corrections has an official mandate to "*identify the drivers of federal prison population growth and increasing corrections costs; evaluate policy options to address the drivers and identify recommendations; and prepare and submit a final report in December 2015 with findings, conclusions, policy recommendation and legislative changes for consideration by the Congress, the Attorney General and the President.*" The task force will be looking for ways to curb federal prison population growth and costs through a combination of "front end" and "back end" options, and to assess methods that various states have used, with the ultimate goal of making recommendations that could be implemented legislatively or through executive order. The task force is scheduled to hold five meetings during 2015, two of which took place during the first quarter:

- January 27, 2015 – The first task force meeting featured presentations from BOP Director Charles Samuels, U.S. Sentencing Commission Chair Judge Patti Saris and the U.S. Attorney for New Jersey. The remarks, presentations and questions underscored the overcrowded and understaffed nature of the federal prison system and pointed to opportunities for reforms that would ameliorate the dangerous conditions in federal prisons while maintaining public safety and offender accountability. Task force members and presenters identified several areas requiring further inquiry, including alternatives to incarceration, sentencing policy, reentry planning and recidivism. In his closing remarks, Chairman Watts stressed the importance of continued input from federal justice stakeholders and the public in shaping the agenda and recommendations of the task force.
- On March 11, 2015 – The second task force meeting featured presentations from formerly incarcerated individuals, victims of crime and employees of the BOP. Marc Mauer, Executive Director of The Sentencing Project, called for reforms to federal sentencing structures to create an upper limit of no more than 20 years in prison, barring exceptional circumstances. Mr. Mauer asserts that doing so would reduce the federal prison population considerably, avert

unnecessary costs of incarceration and provide resources for more effective public safety investments. Prisology, a national nonprofit criminal justice reform organization, proposed the Renewing Each Affected Community Holistically (REACH) Act – tax-neutral legislation aimed to educate and prepare federal prisoners for reentry, reduce recidivism and save billions in tax dollars. Prisology National Policy Liaison Joseph Fierros noted that: “Successfully addressing over-incarceration within America’s federal prisons requires more than just accelerated release. Federal offenders must be provided with the tools to help them become productive citizens. The REACH Act does just that.” Fierros asserts that such programs improve employment possibilities after release and reduce the likelihood of recidivism.

- In advance of this March meeting, the task force invited public written comment from individuals and organizations interested in these issues. CCA took the opportunity to submit written comments to the task force that emphasized the company's commitments and goals in the area of prisoner reentry.

Koch Brothers Coalition

- For a little over a decade, the Koch brothers have been involved in quiet efforts to fix what they feel is an "over-criminalization of America." Koch Industries is now taking those efforts public and speaking with groups including the American Civil Liberties Union (ACLU), the Pew Charitable Trust Public Safety Performance Project and the Brennan Center for Justice, Generation Opportunity, and Families Against Mandatory Minimums to produce a documentary on mandatory minimum sentencing. The Kochs have donated large amounts of funding over the past ten years to the National Association of Criminal Defense Lawyers in an effort to fix what they feel is a system disproportionately affecting minority groups and the poor, and the brothers plan to get involved in the 2016 elections on the issue. The Kochs have outlined five pillars for reform: (1) the right not to be prosecuted for accidentally breaking the law; (2) fair treatment under the law; (3) competent and fair representation; (4) mandatory minimum reforms; and (5) restoration of rights.
- In early January 2015, Mark Holden, senior vice president and general counsel at Koch Industries, and Koch laid out a five-point reform plan to change the criminal justice system. The primary components are "ensuring that indigent defendants receive adequate legal counsel, reducing criminal liabilities for inadvertent violations and restoring rights to youthful and non-violent offenders to help them re-enter the job market after their release."
- The money the Kochs are funneling toward justice reform is relatively modest. Reports claim that their network plans to spend nearly \$900 million on the 2016 election, but there are currently no plans to increase financial support for justice reform or to create a new nonprofit dedicated to the cause. Holden says the Kochs won't make criminal justice a political litmus test, but they are likely "going to want to support candidates who are in favor of helping people, helping the disadvantaged with their policies."

FEDERAL PARTNERSHIP RELATIONS UPDATES (ICE, USMS, BOP)

Immigration and Customs Enforcement (ICE)

Nationwide Population (as of 4-20-15): 27,160

CCA Population (as of 4-24-15): 5,609

Chicago, IL Area

In December of 2012, ICE issued a Request for Information (RFI) for a 788-bed facility in the Chicago area. Following earlier partnerships, which were not ultimately viable, with the Village of Crete and the City of Joliet (both in Illinois), we have identified other sites in more supportive communities. We have confirmed that ICE plans to advertise this requirement through a FAR-based contract. We expect the solicitation to be advertised, potentially with a broader geographic radius.

Other ICE Opportunities:

Houston Processing Center

CCA's current contract expired in March of 2014. However, ICE issued an extension of the contract until March of 2016 to give the agency time to address the RFP. We have been told by senior ICE management that they are working to develop an RFP for a facility located within a short radius of Houston, which will be in our favor.

Stewart Detention Center

We have given ICE managers a new design for the office space they have requested. ICE has approved the design, and we expect the construction will be completed by June of 2015. ICE agreed to a minimum guarantee of 1,600 beds in exchange for the new office space.

ICE Family Detention – South Texas Residential Facility

ICE awarded CCA a contract to detain up to 2,400 family detainees in Dilley, Texas. This is a very large project in which we subcontracted with Target Logistics to construct and supply modular buildings designed with ICE specifications in support of family units of women and children. ICE oversight is provided by the San Antonio Field Office. EOIR, ICE medical and ICE deportation staff are on site. We also provided a significant educational program with the latest technology designed for all minor children. The site is approximately 50 acres, and we are developing an onsite transportation system for the residents. We began accepting residents in December of 2014. We will open the remaining beds in construction phases, the last of which will be May 29, 2015, when all 2,400 beds will become available to ICE. We currently have 960 beds available.

United States Marshals Service (USMS)

Nationwide Population (as of 3-31-15): 52,194

CCA Population (as of 4-24-15): 8,707

Overall Assessment

As reported last quarter, various U.S. Attorney offices around the nation were able to hire additional prosecutors and, as a result, we saw an increase in the USMS population at a number of CCA facilities during the first quarter of 2015 (see Highlights, page 2). We expect to see continued incremental growth in these facilities throughout the second quarter of 2015.

In addition, through continued dialogue, we expect to increase our partnership base with USMS districts that have not been partners in the past. With these new partnerships, we expect to increase our USMS population through the transfer of prisoners from competitor facilities. The USMS does not expect any significant increase in its overall population throughout 2015. Therefore, acquiring prisoners from competitor facilities will continue to be a priority for the remainder of 2015.

Overall, we anticipate continued growth in our total USMS population during the remainder of 2015. A number of CCA facilities experienced slow, but continuous, growth during the first quarter, and we expect the same with these facilities during the second and fourth quarters of 2015. We expect a slight decrease in population during the third quarter of 2015 due to the usual drop in arrests along the Southwest Border during the summer months.

MAR_15

	FY2013ADP	FY2014ADP	SEP_14	JAN_15	FEB_15	MAR_15	Population Change by Period of Time			
							Month	6 Mos.	Year	2 Years
AZ	4,777	5,192	4,476	4,085	4,362	4,710	348	234	(830)	(93)
TX-S	5,048	4,482	4,694	4,258	4,350	4,464	114	(230)	(243)	(573)
TX-W	3,932	3,646	3,557	3,506	3,605	3,849	244	292	50	(267)
CA-S	2,008	1,089	1,077	1,002	1,044	1,060	16	(17)	10	(936)
KS	794	794	836	871	878	876	(2)	40	40	84
NV	754	719	549	739	758	778	20	229	(45)	(57)
OH-N	566	553	538	553	585	579	(6)	41	30	58
GA-N	582	659	619	540	543	565	22	(54)	(111)	(3)
MA	597	514	503	450	430	429	(1)	(74)	(65)	(179)
NM	779	646	641	415	379	427	48	(214)	(194)	(297)
TX-E	422	477	489	421	409	410	1	(79)	(77)	(27)
TN-W	292	254	197	257	279	303	24	106	51	40
TN-E	460	365	297	287	299	267	(32)	(30)	(131)	(218)
NY-E	231	229	224	227	227	231	4	7	(3)	(1)
MD	80	111	96	106	108	112	4	16	4	17
FL-M	291	206	122	115	105	107	2	(15)	(161)	(198)
MT	80	86	91	88	93	92	(1)	1	17	22
CO	85	102	75	97	96	85	(11)	10	(26)	(2)
TX-N	111	113	102	71	67	71	4	(31)	(44)	(50)
TOTAL	22,158	20,300	19,183	18,088	18,617	19,415	798	232	(1,745)	(2,838)

MAR_15

	FY2012ADP	FY2013ADP	FY2014ADP	JAN_15	FEB_15	MAR_15	Population Change			
							Month	6 Mos.	Year	2 Years
CCA Total	11,426	9,625	8,923	7,681	8,090	8,453	363	269	(889)	(1,172)
CEC Total	1,443	1,358	1,058	966	964	985	21	(31)	(14)	(290)
Emerald Total	1,088	1,050	1,106	664	616	704	88	(234)	(458)	(499)
GEO Total	6,765	7,196	6,792	6,565	6,730	6,970	240	158	(15)	(89)
MTC Total	1,262	1,404	1,047	939	960	1,101	141	158	(1)	(304)
Other Total	1,171	1,081	975	828	815	783	(32)	(153)	(208)	(310)
GRAND TOTAL	23,155	21,714	19,901	17,643	18,175	18,996	821	167	(1,585)	(2,664)

Federal Bureau of Prisons (BOP)

Nationwide Population (as of 4-24-15): 208,987

Total Private Sector Population (as of 4-24-15): 23,958

CCA Population (as of 4-24-15): 7,623

Summary of Projects:

Criminal Alien Requirement (CAR) 16 (These are rebids of all the Texas CAR beds, including our Eden facility.)

The Federal Bureau of Prisons (BOP) has a requirement for the management and operation of contractor owned/contractor leased, contractor operated correctional facilities for approximately 10,800 beds total. Proposals are due on May 11, 2015. The population will be low security adult male inmates that are primarily criminal aliens with ordinarily 90 months or less remaining to serve on their sentences. Each facility under this requirement must fall within the amended range of a minimum of 1,200 to a maximum 1,800 at the 100% number of contract beds.

Proposed institutions shall house inmates in a secure correctional facility that meets BOP standards as set forth in the resulting solicitation/contract. The proposed facility(s) must be located in one of the following states: Arizona, Louisiana, Mississippi, Nevada, New Mexico, Oklahoma or Texas.

An offeror awarded a contract must be ready to begin accepting inmates and assume full responsibility for the operation, maintenance and security of the institution no later than the issuance of the Notice to Proceed (NTP). The first NTP is anticipated to be issued on January 1, 2017, and the last no later

than May 1, 2017. Any construction, expansion or renovation must not interfere with, or delay, the arrival of inmates as required by the solicitation/contract. In addition to Eden, we are assessing the viability of proposing North Fork, Tallahatchie and Diamondback.

Criminal Alien Requirement (CAR) 17 (Rebids of the Texas CAR beds in conjunction with CAR 16.)

The Federal Bureau of Prisons (BOP) had a requirement for the management and operation of contractor owned/contractor leased, contractor operated correctional facilities for approximately 4,800 beds total. The proposals were scheduled to be due on March 9, 2015. The population was to have been low security adult male inmates that were primarily criminal aliens with ordinarily 90 months or less remaining to serve on their sentences. Each facility under this requirement was to have been within the range of a minimum of 2,001 to a maximum of 2,400 at the 100% number of contract beds. However, the BOP cancelled this solicitation, as the agency no longer wants facilities this large, and amended CAR 16 to absorb the beds.

Cibola

We had a full review of Health Services at our Cibola facility in mid-October, not just a check of our progress since the April 2014 Contract Facility Monitoring (CFM) during which we had a significant finding in Health Services. Medical had a total of 26 findings including the significant finding in the April 2014 CFM review. We are doing better, but still have some issues:

- **Repeat, Repeat, Repeat, Repeat Deficiency:** *Inmates arriving at the institution with positive Purified Protein Derivatives (PPDs) for tuberculosis are not receiving follow up and treatment as per policy.*
- **Repeat, Repeat Deficiency:** *Treatment for HIV inmates is not completed in accordance with policy.*
- **Repeat Deficiency:** *Not all medication administration records (MARs) are accurate.*

As a result of the April 2014 audit, and the subsequent follow up review in October 2014, we were issued a Cure Notice at Cibola for Health Services. Our Cure Period will be limited to our next CFM audit, which was scheduled for April 21-24, 2015, and the results of this CFM will determine the overall decision on the Cure Notice.

Our Cibola CFM audit was a success. The BOP were very pleased with the improvement since the April CFM as well as the improvement since the October visit and the performance they observed during the week. We closed out the CFM with two repeat deficiencies and 11 other deficiencies. We had one repeat in IT and one in medical. As soon as BOP Contracting and Privatization staff receive the final CFM report from the audit team, they will determine if the Cure notice issues have been resolved to their satisfaction and controls in place to prevent reoccurrence. If they are satisfied the Cure notice will be closed. Given the feedback we have received including a congratulatory note from the Procurement Executive, things look very encouraging.

Eden

At our annual CFM audit in August of 2014, we had a Significant Finding in the area of Health Services. As a result, the BOP issued very specific questions during the Technical Revision stage of the CAR 15 solicitation. Evaluators also issued questions regarding our Health Services

issues/findings at Cibola and expressed concerns that our Health Services issues were becoming systemic. As a result of the findings in August, the BOP conducted a re-review in February 2015, just in the area of Health Services. The review went well, and we only had a total of eight findings. The auditors acknowledged our progress and the resources we had dedicated to Eden since the previous CFM.

We have implemented Plans of Action (POA) at both locations and given in-person debriefs with BOP staff three times since November 2014 with updates on our progress in advance of Cibola's April 2015 audit.

BOP Population Summary by Security Level

Mar-15

<u>Security Level</u>	<u>Pop</u>	<u>Rated Cap</u>	<u>Pop % of Cap</u>
ADMINISTRATIVE	16,522	13,801	119.7%
MINIMUM	25,056	23,943	104.6%
LOW	72,301	66,877	108.1%
Low - Private	24,018	28,791	83.4%
Low - Public	48,283	38,086	126.8%
MEDIUM	57,752	42,315	136.5%
HIGH	22,461	14,970	150.0%
TOTAL	194,092	161,906	119.9%
TOTAL w/o Private	170,074	133,115	127.8%
Other (RCCs, Jails, Etc)	14,172		
Total	208,264		

BOP POP SUMMARY: Facility by Competitor

Mar-15

	Population					Delta					Projected
	Jan-15	Feb-15	Mar-15	Rated Capacity	%	1 month	6 months	Pipeline In	Pipeline Out	Net	Population
CCA											
ADAMS CTY CORR CTR CI	2,146	2,174	2,297	2,340	98.2%	123	158	193	74	119	2,416
CIBOLA COUNTY CI	1,081	1,083	1,101	1,116	98.7%	18	56	241	114	127	1,228
EDEN DC	1,255	1,368	1,401	1,438	97.4%	33	5	214	79	135	1,536
MCRAE CI	1,880	1,948	1,960	2,077	94.4%	12	(13)	239	77	162	2,122
NE OHIO CORR CTR CI	1,177	1,007	483	1,507	32.1%	(524)	(1,012)	0	360	(360)	123
Subtotal	7,539	7,580	7,242	8,478	85.4%	(338)	(806)	887	704	183	7,425
GEO											
REEVES CI	2,235	2,371	2,330	2,407	96.8%	(41)	(53)	404	217	187	2,517
REEVES DC	1,212	1,334	1,276	1,356	94.1%	(58)	(69)	310	129	181	1,457
RIVERS CI	1,218	1,247	1,294	1,390	93.1%	47	34	164	73	91	1,385
RIVERS CI-RDAP	47	46	49	60	81.7%	3	(2)	0	1	(1)	48
D. RAY JAMES CORR FACIL CI	2,326	2,491	2,422	2,507	96.6%	(69)	(70)	253	140	113	2,535
BIG SPRING CI	3,275	3,460	3,427	3,509	97.7%	(33)	2	446	265	181	3,608
MOSHANNON VALLEY CI	1,786	1,899	1,816	1,820	99.8%	(83)	(1)	121	67	54	1,870
Subtotal	12,099	12,848	12,614	13,049	96.7%	(234)	(159)	1,698	892	806	13,420
MTC											
DALBY CI	1,761	1,866	1,882	1,921	98.0%	16	71	261	122	139	2,021
TAFT CI	1,746	1,796	1,788	1,770	101.0%	(8)	(7)	232	160	72	1,860
TAFT CI SCP	506	505	492	585	84.1%	(13)	(47)	41	37	4	496
WILLACY CI	2,853	0	0	2,988	0.0%	0	(2,619)	0	0	0	0
Subtotal	6,866	4,167	4,162	7,264	57.3%	(5)	(2,602)	534	319	215	4,377
Private Total	26,504	24,595	24,018	28,791	83.4%	(577)	(3,567)	3,119	1,915	1,204	25,222
Vacant				4,773							

LOCAL and D.C. PARTNERSHIP RELATIONS UPDATES

Local – Existing Business

Citrus County Detention Facility

The current management contract at the Citrus County facility expires in October of this year. We continue to work with the newly seated Board of Commissioners in an effort to extend the contract for an additional five years. Sheriff Dawsey has confirmed that he has no interest in taking over the county jail operation. Additionally, should the county choose to turn management of the facility over to another entity, they would need to reimburse CCA approximately \$13 million dollars for the 2007 jail expansion.

The U.S. Virgin Islands' population has increased slightly, and we continue to market all available beds at our Citrus County facility to other jail jurisdictions, as well as to other federal agencies. The current population, which consists of local, USMS and U.S. Virgin Islands inmates, has had a slight decrease overall.

Marion County Jail II (MCJ II)

Indianapolis Mayor Ballard's proposal to build a new criminal justice complex, to include a 3,000-bed jail facility, could be decided upon as early as May of this year. A private study conducted by the City-County Council concluded that the potential savings were not sufficient to make the P3's annual payment. The outcome of a City-County Council vote in connection with the criminal justice complex, should they be given that opportunity, is not clear. However, we believe the vote would follow party lines with Democrats voting no and the Republicans siding with Republican Mayor Ballard.

We have been meeting regularly with Sheriff Layton and his staff about a potential "Plan B" proposal, which would include building only a 3,000-bed jail. We will be working internally to vet this concept and present a proposal to the sheriff. Finally, we continue to market any available beds to surrounding municipalities, as well as to the USMS.

Silverdale Detention Facility

We presented the county with a proposal that would include a purchase/construct/finance of the Silverdale Detention Facility. This proposal would allow the county to add beds at our Silverdale facility, which would in turn allow closure of the downtown jail consisting of approximately 500 beds. The mayor and his staff were receptive to our proposal, and we anticipate further dialogue once the county has had an opportunity to review our plans.

Correctional Alternatives, Inc. (CAI)

The San Diego County Residential Reentry and Day Reporting population has declined slightly due to California Proposition No. 47, which passed recently. The proposition mandates misdemeanors, instead of felonies, for "non-serious, non-violent crimes," which lowers the overall jail population statewide. We have been working with the local courts, district attorneys and others to maintain, and potentially increase, this portion of the population.

We are in the process of rebidding the current BOP population at the facility and are working internally to develop the RFP response, which is due on May 12. The current BOP contract expires in May of 2016.

Metropolitan-Nashville Davidson County Detention Facility

We were the successful bidder for the Metro-Nashville Davidson County Detention Facility. We have completed negotiations, which included a per diem increase, and the new contract was effective on February 1, 2015. This is our sixth renewal of this contract.

District of Columbia/Correctional Treatment Facility (CTF)

Population (as of 4-24-15): 589 (72 USMS; 380 DCDOC; 24 CSOSA; 113 BOP)

- The CTF houses four inmate populations: USMS Maryland; DC Department of Corrections (DCDOC); parole violators through the federal Court Services and Offender Supervision Agency (CSOSA); and short-term, sentenced felons from the BOP. The facility's total bed capacity is 1,500.
- During the first quarter of 2015, average daily populations at CTF were 627 in January, 608 in February, and 617 in March. The average daily DCDOC and CSOSA populations continued at levels experienced during the previous quarter, while the USMS population increased slightly again in the first quarter. The BOP population at CTF continues at lower-than-anticipated levels.
- In advance of the January 2017 expiration of the CTF lease and management contract with the DCDOC, we are initiating discussions with the DCDOC to explore both short- and long-term contract options.

STATE BY STATE UPDATES**Alabama**

Alabama's legislature convened on March 3 for the 2015 legislative session. Senator Cam Ward (R), who led Alabama's Prison Reform Task Force, has proposed criminal justice reform legislation that would reduce penalties for some nonviolent property and drug crimes, in addition to expanding and refining parole, probation and community corrections programs intended to divert offenders from prison. The legislation easily passed through the Senate and is now awaiting approval by the House. Alabama's correctional system continues to be operated at approximately 200% of capacity. There does not appear to be a near-term opportunity for CCA unless the federal courts impose a capacity cap similar to California's. We will continue to monitor the situation in Alabama as this conversation evolves so we will be prepared to further engage at the appropriate time.

Retired Air Force Colonel Jeffrey S. Dunn was sworn in as the new Commissioner of the Alabama Department of Corrections on April 1. We are working to set up an initial meeting with Commissioner Dunn in the coming weeks.

Alaska

We continue to monitor this state although in recent years the state built additional capacity to eliminate its utilization of out of state privately operated facilities.

Arizona

CCA operates six facilities within Arizona, housing approximately 10,900 inmates. Those inmates include offenders from the states of Arizona, California, Hawaii and Vermont as well as federal ICE, USMS and BOP populations.

Our focus this quarter was threefold: 1) ensure the smooth transition of the second phase of our contract with the State of Arizona at our Red Rock Correctional Facility (1,000 beds total by mid-February) and make sure the contract is fully funded in the state's upcoming budget (starts July 1); 2) work with the Governor's office and the legislature to authorize the Department to seek additional capacity to address the state's growing inmate population; and 3) ensure no legislation harmful to CCA was enacted. We were successful in all three objectives.

In March, the legislature passed a budget that included authorization for an additional 1,000 medium security beds to come online July 2016. Because our Red Rock facility has Arizona offenders and has expandable capacity for an additional 1,000 offenders, we believe that we are uniquely positioned to fulfill the state's needs in the timeframes outlined in the state budget. In addition to the 1,000 beds coming online in January 2016, the legislature also authorized the Department to seek bids for another 1,000 beds; however those beds do not have a start date and will not be funded unless expressly authorized the legislature. As described below, both private contractors and counties will be allowed to participate in the procurement.

As the session progressed and discussion on additional capacity gained traction, Arizona counties began to lobby the legislature and the Governor to send state inmates to their jails to address overcrowding in state prisons. Maricopa County (which includes Phoenix and is the largest county in Arizona) was initially the most vocal in support of a plan to send inmates to county jails. However, as details of the requirements became known (medium security, design and programming requirements) we have heard that they will not be participating. Pinal County, which recently lost a contract with ICE, has an empty jail and we hear remains interested in participating. Due to the contract requirements, we feel that we are in the best position to win the award. As of the middle of April, the Department has not released an RFP, but we anticipate its issuance in Q2 2015.

At the Capitol, we defeated a number of anti-privatization bills that among other things would restrict the types of offenders that can be housed in private facilities from out of state. Our conversations at the Capitol remain positive as we discuss these and other issues. We are making concerted efforts to both ensure that our supporters remain steadfast and that we educate those members who are willing to have a dialogue on the benefits of partnership corrections.

Finally, we have been active in ensuring that the true story of CCA is being told by the media. In that effort, we met with a number of editors and reporters at the Arizona Republic following a string of misleading stories published by the paper. After that meeting, we were able to get a headline changed as well as a clarification of a rather sensationalized story. Leadership at the paper were clear after the meeting that we will be pushing back if they continued to perpetuate falsehoods about the company and the industry.

Since taking office in January, we have had multiple conversations with Governor Ducey and his chief of staff on our issue and how we are able to assist the state with their overcrowding needs. While the Governor and his staff remain supportive of partnership corrections and we have established an excellent rapport (as indicated by the state's plan to expand contract beds) they have noted that our issue is a difficult one, particularly as it relates to negative media coverage. We have discussed with the Administration our strategy with the media – particularly noting our meeting with Arizona Republic discussed above – and they were very appreciative of our efforts to combat untruths about our industry. They were also thankful for the various meetings we have had with legislators at the Capitol educating them on the benefits of partnering with the private sector. We believe that continued attention to this issue will continue to improve the tone around our issue and lead to more opportunities in the future.

Arkansas

Newly elected Governor Asa Hutchinson (R) has taken initial steps to address the overcrowding within Arkansas' corrections system. Governor Hutchinson's immediate plan is three-pronged and focuses on additional bed space, more effective parole and reentry, and alternative sentencing for nonviolent offenders. We have met with Governor Hutchinson's Chief of Staff Michael Lamoureux and DOC Director Wendy Kelley to discuss both short-term and long-term solutions CCA could potentially provide. One short-term solution we have presented consists of 160 available beds at our West Tennessee Detention Facility. This facility is in close proximity to Arkansas and can provide immediate bed space. We are in the process of coordinating a facility tour for Director Kelley and her staff.

The Arkansas legislature concluded the 2015 legislative session at the end of March. The legislature did not pass legislation that would inhibit our ability to develop a partnership with the state.

California

Proposition 47, which reduced penalties for certain offenders convicted of non-serious and nonviolent property and drug crimes as well as other measures implemented by the legislature, has had a profound impact on the state's inmate population. As of April 8, CDCR is now at least 1,800 inmates below the court mandated overcrowding level that the state is required to meet by February 2016. Because of the reduction in the state's inmate population, there have been calls from the legislature and the Governor's office to reduce the out of state population. We have had multiple conversation with the Legislative Analyst Office (LAO), CDCR and the Governor's office on the unique role that out of state capacity provides the state – namely all celled capacity which provides CDCR immense flexibility in managing its inmate population. Those conversations have been positive; however it is clear that due to how far below the state is from its February 2016 target, coupled with the expected addition of 2,400 instate CDRC beds coming online next year, we will see a significant reduction in our contract next fiscal year (starting July 2015). As of this writing, our California population has already dropped below 8,400, which is roughly 600 under our contractual cap.

As a result of the realities on the ground, we have focused our attention on ensuring that we are able to manage the reduction in capacity in a way that makes the most sense for CCA. CDCR has indicated a willingness to work with us towards that goal. As of the middle of April, the Department has not specified to us what the reduction to our contract will be, but a reduction of 2,000-2,500 appears possible. We expect that decision to become public when the Governor releases his revision to his budget in the middle of May, and we are working to get a confidential preview in advance.

Despite the impending reduction to our contract, we still believe that out of state capacity will continue to be a solution for CDCR for the foreseeable future. We also believe that our California City facility is uniquely positioned to remain an integral solution long-term and could also be expanded as the state looks to close older public facilities, particular the Norco Facility (3,000 beds) which had been slated to be closed when CDCR released its "blueprint" several years ago.

We also are pursuing opportunities throughout California (with a particular focus in Southern California) on space that could be used as residential reentry centers for a CDCR population. Those conversations include options such as CCA owning facilities and leasing to an operator or CCA owning and operating the facilities ourselves. We have identified several sites that we believe would add value to CDCR as well as local government and the BOP. We are hopeful that in the next 12 months we can penetrate this market in California. We believe that providing value in this segment of the offender population would further entrench ourselves as the provider of choice for CDCR.

Colorado

CCA owns and manages four facilities in Colorado: Bent County Correctional Facility, Crowley County Correctional Facility and Kit Carson Correctional Facility, which collectively house 3,428 Colorado inmates; Huerfano County Correctional Facility was closed in 2010.

We were successful this year at the Colorado legislature in getting a 1.7% increase to our per diem and funding to hold an ADP of 3,600 offenders between our three operational facilities. This is an increase in funding of an ADP of 400 beds, or 12.5%, for the 2016 fiscal year.

Connecticut

While no opportunity exists at this time, we will continue to monitor the political atmosphere and bed need.

Delaware

We continue to monitor this state although the inmate population continues to decline.

Florida

CCA currently operates one managed-only facility for the State of Florida. The Lake City Correctional Facility has the capacity to house 893 male, youthful offender inmates. In total, approximately 99% of the beds at Lake City were filled in Q1 2015. CCA's current contract runs through June 30, 2016.

Florida's 2015 legislative session began on March 3 and is expected to conclude in early June. Governor Rick Scott (R) released his FY16 budget on January 28, and it included full funding for the Lake City facility. Both House and Senate budget versions include full funding for Lake City as well. We continue to promote CII-type ownership solutions, but interest has been limited because Florida doesn't have a budget shortfall. We will be actively engaged on the budget and legislation throughout the 2015 session.

One of the legislature's areas of focus this year is criminal justice reform. Specifically, the legislature is working to address issues of inmate neglect and abuse within some of the Department of Corrections' facilities. Both the House and Senate have versions of legislation aimed at this reform and are in the process of working toward a compromise bill.

Governor Rick Scott (R) appointed new leaders for the Department of Corrections (DOC) and Department of Management Services (DMS), the agency responsible for the management of our contract. Julie Jones was named the new Secretary of the FL DOC, while Chad Poppell was named the new Secretary of DMS. Both Secretary Jones and Secretary Poppell served in various roles within state government before accepting their respective appointments. We had an introductory meeting with Secretary Jones in late March, and we also met with Secretary Poppell's Chief of Staff. The meetings went well and serve as a good starting point as we work to build relationships with Secretary Jones and Secretary Poppell.

Lake City Warden Joe Taylor has accepted the warden's position at CCA's Saguaro Facility in Arizona. An Arizona native, this move provides Warden Taylor an opportunity to be closer to his family. CCA is in the process of identifying and naming a new warden for Lake City.

Georgia

CCA currently operates three owned and managed facilities for the State of Georgia, with a combined capacity of 6,476 beds. Coffee Correctional Facility is currently contracted to house 2,628 inmates, Wheeler Correctional Facility is currently contracted to house 2,698 inmates and Jenkins Correctional

Center is contracted to house 1,150 inmates. In total, approximately 98% of the beds CCA manages for Georgia were filled in Q1 2015.

Georgia's 2015 legislative session began in early January and concluded in late March. We have been actively engaged in Georgia over the last several months discussing the FY16 budget and per diem increases for our facilities. The Governor's FY16 budget included an increase for private facilities that is tied to adding vocational training programs in diesel mechanics and welding for inmates. The legislature's final FY16 budget included identical funding. We have been working with the department and internally to assess our ability to provide these programs.

Governor Deal appointed Homer Bryson as the new Commissioner for the Georgia Department of Corrections in March. Commissioner Bryson was previously Deputy Commissioner at the Department of Natural Resources. We had an initial meeting with Commissioner Bryson in late March and feel that he will be supportive of our long-term partnership with the department.

Hawaii

CCA currently houses 1,353 Hawaii male inmates at our Saguaro Correctional Center (SCC) in Arizona and maintains a positive relationship with the Department of Public Safety (PSD). We saw a slight decline (38 inmates) in population on the January movement for the first time in six months. We are hopeful that our population will be generally stable for the remainder of 2015. In 2016, we expect to receive an additional 248 inmates while a security system renovation project is being completed at Halawa Correctional Center on the islands. This project is expected to take at least 16 months to complete.

On December 31, Governor Ige appointed Nolan Espinda as the new Director of PSD and the Senate confirmed his appointment on March 15. Warden Espinda has a 30-year career with the Hawaii Department of Public Safety, most recently as the Warden of Halawa Correctional Center, Hawaii's largest prison.

Partnership Development had an opportunity to meet with Director Espinda and Governor Ige in early January. The meeting went well with our message being we are proud of our longstanding partnership with the State of Hawaii on the mainland and expressing our willingness to partner with the state in providing an on-island solution to its deteriorated system if the Ige administration decides to build a new facility on the Islands.

As a reminder, in late 2013 PSD released a Request for Information (RFI) seeking to develop adequate capacity for its correctional system on the Islands through expansions and new builds/larger replacement jail facilities to completely overhaul its corrections system. The RFI clearly specified the state's intent to operate all facilities and its goal to eliminate the use of contract facilities. Following up on the RFI, the legislature passed a joint resolution last year encouraging the Governor to explore a competitively procured public-private partnership agreement to finance, build and lease back new and remodeled correctional facilities for state operation. To best position CCA for this opportunity, CCA has partnered with two local groups: Nan, Inc., which is a general contractor of choice for the U.S. federal government in the Pacific, and Stanford Carr Development, which is a real estate development firm with over twenty years of experience on the Islands. We believe the change in administrations will delay the release of a full RFP; however, we continue to feel an Ige administration will be receptive to a public-private partnership solution on the Islands.

Legislative session began on January 21 and is scheduled to adjourn on May 7, 2015. The Democrats remain in strong control of the legislature and as we have traditionally seen, a number of bills were introduced related to housing inmates on the mainland and the expansion of the Hawaii system in order to bring the inmates back to the Islands. Partnership Development held a host of positive legislative meetings with key legislative leaders in an effort to open lines of communication to protect our mainland program and to reiterate CCA's willingness to assist the state with an on-island solution. We will continue to protect CCA's interests in the legislature and work to best position CCA to be the partner of choice in meeting Hawaii's correctional needs.

Saguaro Warden Todd Thomas has accepted the warden's position at CCA's Trousdale-Turner facility in Tennessee. Former Lake City Warden Joe Taylor will be the new warden at Saguaro with a start date of April 27. An introductory meeting with PSD leadership has been scheduled for May 22, 2015.

Idaho

CCA houses approximately 209 Idaho inmates out of state at our Kit Carson facility in Colorado to assist Idaho with overcrowding. A one-year extension to the contract was signed with the Idaho Department of Corrections (IDOC); however, IDOC continues to seek ways to reduce its overall population to enable the return of all inmates to Idaho.

Illinois

Although Republican businessman Bruce Rauner is the new governor of Illinois, state law prohibits correctional partnerships and Illinois is still not seen as a near-term opportunity. We will, however, be scheduling time with members of his administration to educate them on partnership corrections and in particular our ability to assist Illinois with a finance, design build and lease back option to address the state's aging and overcrowded correctional system.

Indiana

CCA continues to meet with Indiana Department of Correction Commissioner Bruce Lemmon and staff from Governor Pence's office regarding our ability to offer both immediate and long term solutions. Our talks with the administration are primarily focused on the sale of a state operated facility to private management as a government efficiency solution for corrections or allowing the private sector to finance, design, build and/or operate a new facility to replace old inefficient facilities. However, in a state that funds all current capital projects with cash and has continuously maintained its corrections system, it is proving to be a difficult sale.

Governor Pence's proposed budget for the next two fiscal years (FY16 and FY17) provides \$51 million in funding for the construction of additional cell houses at the Miami and Wabash Valley correctional facilities in order to meet projected increases in population. The governor's proposed budget also funds \$32 million in preventative maintenance and repairs for the 22 correctional facilities and an additional \$43 million to support operations and staffing. Legislative session is ongoing; however, it appears the \$51 million for new construction of additional cell houses may be in jeopardy, which could result in renewed interest by the administration in a private sector solution.

Iowa

Iowa law specifically prohibits housing inmates in any sort of private facility either in or out of the state, so the state is not seen as a near-term opportunity. In addition, the state's new 800 bed correctional facility remains unopened 15 months following completion.

Kansas

While Kansas is projected to be out of capacity by July 2016, the DOC remains hopeful that new sentencing laws enacted last year to decrease the amount of time that has to be served for technical violators of parole will assist in slowing its population growth and deferring the state's need for additional beds. The DOC also has a couple of additional bills this legislative session that they feel would assist with slowing its population growth if passed. With our Leavenworth facility able to take inmates from all security levels, we continue to promote the facility as a viable and immediately available instate solution to both the Governor's office and DOC. CCA recently met with the DOC in an effort to continue to encourage the department to utilize beds at our Leavenworth facility, and we are scheduled to meet again following legislative session adjournment. We are hopeful that 2015 will include a Kansas contract for a small number of inmates.

Kentucky

CCA currently owns three facilities in Kentucky, the 826 bed Marion Adjustment Center (MAC), the 656 bed Otter Creek Correctional Center (OCCC) and the 816 bed Lee Adjustment Center (LAC). The Lee Adjustment Center in Beattyville, KY currently houses approximately 300 inmates from Vermont, while both MAC and OCCC are vacant. We continue working diligently to identify potential partners interested in the use of MAC and OCCC.

The Kentucky legislature convened for its 2015 session in early January and concluded the session at the end of March. The legislature did not pass legislation related to partnership corrections.

Kentucky's gubernatorial election will be in November 2015. Democratic Attorney General Jack Conway (D) is facing little opposition for his party's nomination, but Agriculture Commissioner James Comer (R) and Republican businessman Hal Heiner look poised for a competitive contest as they seek their party's nomination. We will be engaged throughout the election as we try to gain traction with the next administration in an effort to reopen both MAC and OCCC.

Louisiana

This quarter, CCA notified the Louisiana Department of Public Safety and Corrections that effective October 4, 2015 CCA would cease current operations at the managed-only Winn Correctional Center. The lack of a per diem increase in over four years coupled with increased operational costs contributed to the decision. We anticipate the Department to seek another private vendor to manage the operations of the facility much sooner than October 4, 2015 and will work cooperatively to ensure a smooth transition.

Maine

We continue to reach out to state policy makers regarding CCA's ability to provide financial resources as well as proven correctional cost savings.

Maryland

While no opportunity exists at this time, the environment for public-private partnerships may be improving given Republican businessman Larry Hogan's recent election as governor.

Massachusetts

Because of its strong union influence, we have not made Massachusetts a high target area. However, with Republican Charlie Baker as governor, coupled with the state's overcrowding problems (140% of its rated capacity), we will engage the new administration to determine if there might be an opportunity in the state.

Michigan

Due to the state's inmate population remaining relatively flat over the past three years and the DOC's failed attempts to award several contracts to the partnership corrections industry in the past two years, there appears to be little opportunity at this time in Michigan. CCA partnered with a third party health care provider to respond to a DOC Request for Information (RFI) for roughly 100 long term care beds for elderly inmates. To date, Michigan DOC has not released a full Request for Proposal (RFP) for this opportunity.

Minnesota

Under a second Dayton administration, a state contract for Prairie would likely be limited to a lease only arrangement due to the administration's allegiance to labor. With Minnesota experiencing a slight uptick in its population numbers, we held a series of meetings in Q1 2015 with the administration and the legislature pitching the idea of leasing Prairie to the State of Minnesota. While the DOC was a bit leery of the idea in the beginning, the commissioner seemed more open to the idea than previously. We continue to actively promote this as a solution to the state's rising prison population.

Mississippi

CCA currently owns and operates two facilities in Mississippi. Tallahatchie County Correctional Facility, located in Tutwiler, houses 2,500 inmates for our California partner. Adams County Correctional Center, located in Natchez, houses 2,330 Bureau of Prisons inmates.

In August 2014, the Mississippi DOC released four RFPs for the private management of Walnut Grove Correctional Facility (1,500 inmates), Marshall County Correctional Facility (1,000 inmates), Wilkinson County Correctional Facility (1,000 inmates) and the East Mississippi Correctional Facility (1,500 inmates). All four facilities are currently operated by MTC. Due to operational and financial concerns, CCA decided not to submit a bid for any of the four facilities. News reports indicate that GEO also passed on the procurement and only two smaller companies (MTC and CEC) submitted bids. The Mississippi DOC was in negotiations with MTC for the four contracts, but DOC Commissioner Chris Epps resigned effective 11/5/14 amid a federal investigation regarding bribery

and kickbacks. As a result of Commissioner Epps's indictment, Governor Phil Bryant ordered the Department of Corrections to rebid the four RFPs. As of today, these contracts have not been rebid. We will continue to monitor any movement on rebidding these contracts.

In late December, Governor Bryant's Task Force recommended and Gov. Bryant appointed Former Mississippi Bureau of Narcotics Director Marshall Fisher as DOC Commissioner. We met with Commissioner Fisher in early February and plan to further develop our relationship with him and his staff in the coming months.

Missouri

While no opportunity exists at this time, we will continue to monitor the political atmosphere and need.

Montana

CCA's longstanding partnership with the State of Montana continues with CCA's Crossroads Correctional Center serving as a key part of the state's prison system. With our current Montana inmate population at 590 combined with the USMS population there, the facility is operating at full capacity.

Senate Joint Resolution 3 [SJ3] was introduced in the legislature requesting the legislature to conduct a study on the private for-profit prison industry in Montana to determine if CCA's contract should be renewed when it expires in 2019. The resolution was introduced at the request of an interim legislative committee due to negative attention on private prisons and concerns brought forward by inmate advocacy organizations in Montana. We were successful in educating the legislature of the oversight process by the Department of Corrections and outside organizations such as ACA and NCCHC. The legislature did not support the legislation and it will not go forward.

Nebraska

While Nebraska's correctional system operates at roughly 150% of capacity, there has been consistent opposition to utilizing the private sector. Given Nebraska's level of overcrowding, Partnership Development approached the new administration and has scheduled a meeting with the new Director of Corrections to educate policymakers of our abilities, particularly in relation to financing, building and leasing new facilities for state operation.

Nevada

While no opportunity exists in the near term, we have engaged the director on our ability to assist the state if populations begin to climb. There have been some discussions at the Capitol about the potential of increasing population due to sentencing proposals. The director has been amenable to private sector solution discussions should the need arise. CCA owns and operates one facility near Las Vegas, the Nevada Southern Detention Center, which has a current population of approximately 830 federal detainees.

New Hampshire

CCA continues to engage Governor Hassan and Corrections Commissioner Wrenn on our abilities to finance, build and leaseback to the state a new prison as the state's 1,200 bed main prison was primarily constructed in the late 1800s.

New Jersey

While no opportunity exists at this time, we will continue to monitor the political atmosphere and bed need.

New Mexico

CCA's contractual relationship with the New Mexico Corrections Department (NMCD) is focused on the company owned and operated 744 bed New Mexico Women's Correctional Facility located in Grants. Because our contract with the department expires in June 2016, the Corrections Department released a Request for Proposals (RFP) for a rebid of the population we currently house. We are currently working through the procurement process and feel confident we will be awarded a contract renewal.

New York

No opportunity exists at this time due to strong union and political views against partnership corrections.

North Carolina

The North Carolina legislature convened for the 2015 legislative session on January 28 and is expected to be in session through early July. Although no definitive opportunity exists at this time, we will continue to engage policy leaders regarding CCA's ability to help meet the state's needs going forward.

North Dakota

The North Dakota legislature convened for the 2015 legislative session in early January and is expected to be in session through early May. North Dakota continues to experience a moderate increase in their inmate population and is in the process of exploring additional capacity options. Governor Dalrymple's FY16 budget has been released and includes some funding to allow the Department of Corrections to further explore the use of out of state beds. We have been engaged with the DOC regarding our ability to provide capacity through the use of our out of state beds. North Dakota inmates have previously been housed at CCA's Prairie facility. We will continue working with the department toward a possible solution to its capacity needs.

Ohio

Lake Erie Correctional Institution's population is 1,756 (97% of capacity), and the facility continues to exhibit much stronger operational performance and community support in 2015 under the leadership of Warden Sloan. The improved operations also greatly helped Partnership Development gain the state's approval of a 2% CPI increase effective July 1, 2015.

The state's population continues to tick upwards toward the 51,000 mark, putting even greater strain on a system already at 130% capacity. Partnership Development had begun discussions of providing Ohio additional capacity by expanding Lake Erie when CCA unfortunately lost its BOP contract at our Northeast Ohio (NEOCC) facility. Efforts are now being redirected towards getting Ohio to use NEOCC to relieve prison overcrowding. We anticipate greater clarity on this opportunity in Q2 2015.

Oklahoma

CCA currently owns and operates four facilities in Oklahoma: North Fork, which houses inmates from California; Diamondback, which is currently vacant; and Davis and Cimarron, which together are contracted to house approximately 3,300 Oklahoma inmates. The state now utilizes all of the capacity at both our Cimarron and Davis facilities.

Our focus in Oklahoma continues to be on opening our Diamondback facility in Watonga. The Department has made additional capacity its number one priority this legislative session and we have worked closely with the Department and at the Capitol talking to members as well as the governor's office about the benefits of a partnership at our Watonga facility.

Those conversations have been positive, namely that such an arrangement would remove offenders from overcrowded facilities, which will in turn enable them to receive valuable programming that will help reduce recidivism rates. The governor and legislature are on board with the proposal but have indicated that the primary obstacle right now is budget related. After session began, the state announced that its budget deficit had grown to over \$600 million. Despite these obstacles, we continue to work the issue very hard and are hopeful that we will see Oklahoma inmates at Diamondback by year's end.

Oregon

While no opportunity exists at this time, we will continue to monitor the political atmosphere and bed need.

Pennsylvania

No opportunity exists at this time.

Rhode Island

Democrat Gina Raimondo won election as the first female governor of the State of Rhode Island. Although we do not believe that there is an opportunity currently with the state, we met with Governor Raimondo several years ago while she was State Treasurer. That conversation centered around a federal facility in Central Falls (Wyatt Detention Center) that was undergoing financial difficulty. The conversation went very well, and Raimondo signaled her willingness to work with the private sector. CCA will be engaging her administration in 2015. Please see the acquisition section of this board book for more information on the Wyatt Detention Center.

South Carolina

Although no definitive opportunity exists at this time, we will continue to monitor the political atmosphere and needs in South Carolina.

South Dakota

No opportunity exists at this time.

Tennessee

CCA currently manages three facilities for the State of Tennessee with a combined capacity of 5,228 beds. Hardeman County Correctional Center has the capacity to house 2,016 adult male medium security inmates. South Central Correctional Center has the capacity to house 1,676 adult male medium security inmates. Whiteville Correctional Facility has the capacity to house 1,536 adult male medium security inmates. In total, approximately 98% of the beds CCA manages for Tennessee were filled in Q1 2015.

Construction of the Trousdale-Turner Correctional Center continues to proceed as planned, and we still anticipate the ramp of inmates into the facility to begin in Q1 2016. Warden Todd Thomas has been named as the warden of the facility.

Governor Haslam's (R) FY16 budget provided full funding for our existing facilities, to include contracted inflators. In addition, the governor's budget included necessary funding to begin the ramp of inmates into our Trousdale facility on time in Q1 2016. The legislature finalized its budget as well, and it is consistent with the governor's budget recommendation.

Tennessee's 2015 legislative session began in early January and was expected to conclude in late April. We were successful in getting legislation introduced and passed which will allow inmate legal cases at privately operated correctional facilities to be heard in the county in which the facilities are located. Previously, due to a Tennessee Supreme Court ruling, inmates at CCA's Tennessee facilities could request their cases to be heard in Davidson County (Nashville), since that is the location of CCA's corporate headquarters. The Department of Correction inmate cases are held in the county in which their individual facilities are located. This issue was viewed as a matter of safety and security by both CCA and DOC.

Texas

CCA currently operates four managed only state jails for the Texas Department of Criminal Justice (TDCJ). The four facilities have a combined capacity totaling 5,128 beds that currently are operating at 99% of capacity.

Recently, TDCJ released five RFPs for the operation and management of Billy Moore, Sanders Estes, Cleveland and Diboll Correctional Centers and the Lockhart Work Program totaling 5,378 beds. CCA submitted bids and negotiated with TDCJ this quarter for the Sanders Estes Correctional Center and the Lockhart Work Program. We anticipate finding out the winner of the procurement at the TDCJ board meeting on June 10.

Utah

The Utah legislature passed a bill to advance its prison relocation project. The bill requires the Prison Relocation Commission to identify a specific new site (previously the Commission identified several potential sites) by August 1, 2015. The site selected will then need to be ratified by a vote of the legislature in either a special session called by the governor or at the legislature's next regular session

which begins January 2016. The bill also authorized up to approximately \$475 million in state general obligation bonds. Construction of the replacement facility would begin no earlier than May 12, 2016 with a minimum capacity of 2,500 beds. CCA's Partnership Development team has repeatedly engaged policy makers on allowing the private sector to submit proposals for private finance, design build and lease back, but to date the decision makers have been unwilling to look at the total project value. Instead they have focused solely on the lower interest rate for tax-free government bonds. We will continue to engage in this process but given the legislature's actions it appears unlikely that members will move off their desire to issue bonds.

Vermont

We currently house approximately 300 Vermont medium security inmates at our Lee Adjustment Center facility in Kentucky as well as 37 maximum security inmates at our Florence Correctional Center in Arizona.

Our contract with Vermont expires July 1, 2015 and the Department of Corrections released two separate RFPs at the end of August 2014. Vermont received four responses and has narrowed the finalists to CCA and GEO. An award was anticipated on February 17, 2015 but because of Vermont's budget deficit of \$113 million, the Department has held off on awarding the contracts for the time being. In addition, there continues to be significant opposition at the state Capitol for continuing to use out of state capacity. CCA's Partnership Development team is actively engaged in ensuring accurate information of our performance is provided to key policy makers.

Virginia

There is not an immediate partnership opportunity at this time as the Department continues to have excess capacity.

Washington

In last quarter's report, we mentioned that GEO's vacant Baldwin facility in Michigan was the successful bidder on the Washington RFP to house up to 1,000 male offenders. However, to date, no official public announcement of the award has been made. Given the "as needed" nature of the contract, they may be having challenges finalizing an agreement. CCA will remain engaged as we have previously provided such an arrangement to Washington.

West Virginia

No opportunity exists at this time.

Wisconsin

CCA continues to actively promote partnership options to the Walker administration with a focus on the replacement of old inefficient facilities with the private sector providing a financing, design, build, lease back solution.

Wyoming

While no opportunity exist at this time, Wyoming's population projections indicate the state will need additional bed space during 2017. However, the Department of Corrections is requesting funding for additional alternatives to incarceration that the department feels may push the need for additional beds further into the future. We will continue to monitor Wyoming's population demands and to maintain relationships with key department personnel, so we are well positioned when additional bed space is needed by the state.

U.S. Virgin Islands

In an effort to concentrate on the consent decree the federal courts placed upon the Bureau of Corrections, Governor Mapp and the Director of Corrections have decided to analyze the possibility of moving all of the sentenced offenders on the island to CCA. The current sentenced population on the island averages 175. We are in dialogue with the Department in order to ensure we meet their expectations of housing a long term offender off island. The island's goal is to move the population this summer. The Department is consulting with the courts to ensure this is permissible. CCA currently houses approximately 90 USVI offenders at our Citrus facility in Florida.

Summary of RFPs and Proposals

Synopsis of Detail Contained in Federal, Local and State Sections

Proposals in Production:

Bureau of Prisons (BOP), Criminal Alien Requirement (CAR) 16: Due May 11, 2015

The BOP issued the CAR 16 RFP for housing low security adult males, primarily criminal aliens with ordinarily 90 months or less remaining to serve. Proposed facilities must be located in one of the following states: Arizona, Louisiana, Mississippi, Nevada, New Mexico, Oklahoma or Texas. The RFP includes the rebid of contracts awarded in Texas and Louisiana under CAR 6 and possibly CAR 5. This includes the rebid of our Eden population. Each new contract will have a five-year base period, with five one-year option periods. CAR 16 was originally for a total of approximately 6,000 beds but was amended to a new total of 10,800 to include the beds from the CAR 17 solicitation that was cancelled. CAR 16 also amended the range for the size of each proposed facility. Previously, each facility had to fall within the range of a minimum of 1,200 to a maximum of 2,000 beds, excluding SHU. The amended CAR 16 RFP requires the same minimum of 1,200 beds but a new maximum of 1,800 beds, excluding SHU. We are finalizing potential proposal options for Eden, Diamondback, North Fork and Tallahatchie.

Bureau of Prisons (BOP), Residential Reentry Center (RRC): Due May 11, 2015

The BOP issued an RFP for RRC and Home Confinement services for males and females in San Diego County, CA. The BOP divided the procurement into six line items that consist of three pairs of RRC and home confinement services. Each pair has a guaranteed minimum of 43 and an estimated maximum of 85 for the RRC portion and a guaranteed minimum of 8 and an estimated maximum of 17 placements on home confinement. Based on this, the total available is 129-255 for RRC and 24-51 for home confinement. It is the BOP's intent that each pair of RRC/home confinement services will be awarded to a single provider as these services are interconnected and rely upon each other to ensure adequate programming and case management of offenders.

This is a rebid of the BOP RRC population that we currently house at our two CAI facilities. The BOP can make one single award for the total or multiple awards of up to no more than three awards (an award for each pair of RRC/home confinement services). Multiple sites of performance will be accepted. The ability for a respondent to submit a proposal on only one pair of RRC and home confinement services opens the solicitation to smaller providers that might not have been eligible to compete for the total number. Additionally, respondents have up to 180 days from proposal submission to secure and submit the proper zoning documents to the BOP. Currently, our CAI facilities (Oceanview and Boston Ave) cumulatively house the total BOP RRC population listed above. We are finalizing our proposal with options to provide the requested RRC and home confinement services at one or both of our CAI facilities, depending on the number of line items awarded.

Metro Government of Nashville and Davidson County, TN: Due May 19, 2015

The Metropolitan Government of Nashville and Davidson County is soliciting proposals for a qualified and experienced Construction Manager at Risk to provide final design and construct four

new facilities (housing facility, administration building, processing center and training facility) to expand the Davidson County Sheriff's Office operations on Metro owned property off Harding Place in Nashville, Tennessee. This solicitation will consist of two rounds. Round 1 consists of qualifications and experience. Offerors that Metro determines are qualified as part of Round 1 will be invited to participate in Round 2, which will consist of project approach and cost. The shortlist is projected to be established on May 26, followed by the Round 2 solicitation to be issued on May 27 with submissions due on June 22. The target award date is July 1, 2015.

Georgia Department of Corrections (GDC): Due May 27, 2015

The GDC has requested proposals for the provision of up to four vocational programs in welding and diesel technology at privately operated correctional facilities in the state. The specified programs are in operation in some state facilities, and a team of CCA representatives has previously toured these GDC facilities. The amount of the award may be up to \$2 million to include program implementation and annual operating costs as provided by the private partners. It is anticipated that up to four programs may be accepted for participation in this private partner initiative. CCA and GEO have received the RFP information. CCA attended the optional pre-bid and tour on April 28. Program services are to commence January 5, 2016 with the first class of program participants to graduate in June 2016. The initial term of the contract(s) shall be from the date of award until the end of the state's fiscal year (June 30, 2016). The state may exercise one-year renewal options on an annual basis, at the sole discretion of the state.

Immigration and Customs Enforcement (ICE), Laredo: Due TBD

(Initial responses submitted March 10, 2015 and April 27, 2015, with the final response due on a date yet to be determined.)

In February 2015, ICE sent us an RFP for 400 beds at the Laredo Processing Center to establish a new contract vehicle for housing ICE detainees at the facility. The new IGSA will be with Webb County, Texas. We had previously engaged in a lengthy RFP process with ICE for this same purpose from August 2012 to early 2015 that ultimately did not result in a finalized contract. The project has now been assigned to a new contract specialist, and the process is starting over with updated IGSA and Performance Work Statement requirements. The current Laredo physical plant does not meet all of the standards listed in the RFP, and we have submitted a list of changes that would need to be made to the facility and the cost associated with each item. ICE has indicated that it would pay for any facility improvements under a separate line item. Per ICE's request, we also provided a per diem for the RFP requirements we could meet with the current physical plant and one with the associated staffing costs for the physical plant changes assuming that ICE invests in the improvements. ICE is reviewing the list and will determine which specific standards the physical plant must meet. At that point, we will be asked to provide our formal response to the RFP incorporating the specific physical plant changes selected by ICE.

Submitted Proposals, Final Status Pending:

New Mexico Corrections Department (NMCD): Submitted March 25, 2015

The NMCD reissued an RFP soliciting a contractor to provide and operate up to an 850 bed facility to house maximum, medium, and minimum security female inmates, to include a mental health care treatment center, long term care, with gender responsive programming as well as a nursery program. Contractor will own and be responsible for all management and operation of the facility on behalf of NMCD. The contract shall begin on date approved by the agency and end four years from the date of approval. The agency reserves the right to renew the contract on an annual basis by mutual

agreement not to exceed a total of eight years. This is the rebid of our contract to house NMCD inmates at our New Mexico Women's Correctional Facility. As background, we responded to a similar RFP last year, and NMCD subsequently cancelled that RFP due to a lack of competition (CCA was the only respondent). The mandatory pre-proposal conference for the reissued RFP was held on February 25 and CCA was the only vendor who attended and, therefore, the only provider allowed to submit a proposal. We submitted our proposal by the March 25 due date. On April 23, we received a list of several clarifications including a request for our Best and Final Offer as well as the requirement that we make a presentation to NMCD on a date to be determined. We are working on the responses and coordinating with NMCD on potential dates for the presentation.

Texas Department of Criminal Justice (TDCJ): Submitted February 11, 2015

TDCJ has issued an RFP for the operation and management of four correctional centers (male inmates) and a work program facility (female inmates) in Texas. The facilities are the B.M. Moore Correctional Center (500 beds), Cleveland Correctional Center (520 beds), Diboll Correctional Center (518 beds), Sanders Estes Unit (1,040 beds), and Lockhart Work Program Facility (1,000 beds). MTC currently operates three of the facilities and GEO is the current operator of two of the facilities. Under the RFP, vendors are invited to bid on one or more of the facilities. TDCJ will contract with its health care provider(s) to provide complete health care services. Services to commence on September 1. The contract term will consist of a two-year base period, subject to appropriations, with three two-year option periods for a potential contract term of eight years. CCA, GEO, MTC, CEC and LaSalle all attended the non-mandatory pre-proposal conference on January 7 and the facility tours from January 12-15. We submitted proposals for the two larger facilities (Sanders Estes and Lockhart) by the due date. We responded to clarifications requests in March. In April, we attended a negotiations meeting with TDCJ to discuss specific items from our proposal, provided our Best and Final Offer and answers to their comments/questions from the meeting, and we responded to a follow-up clarification request.

Vermont Department of Corrections (VTDOC): Submitted October 23, 2014

VTDOC issued two RFPs for an out of state facility. The first RFP solicits proposals for the confinement and supervision for up to 600 Vermont inmates who are minimum, medium and close custody offenders under the VTDOC classification system but who might score at higher custody levels under other states' classification systems; the second RFP requests confinement and supervision for up to 75 high security Vermont inmates. The department intends to award this contract for a two-year period beginning September 1, 2015 and ending June 30, 2017, with the right to extend the contract for one additional two-year term, depending on available funding and at the discretion of the state. These RFPs are the rebids of our contracts to house Vermont inmates at our Lee Adjustment and Florence facilities. CCA, GEO and Rensselaer County, NY attended the non-mandatory bidders' conference on September 18. We submitted our proposal by the due date. We submitted our Best and Final Offer to Vermont by February 6 as requested.

Immigration and Customs Enforcement (ICE), Houston: RFI Response Submitted on October 2, 2014

Immigration and Customs Enforcement (ICE) issued a Request for Information (RFI) to identify potential sources in the greater Houston, Texas, area to provide the physical structure, equipment, personnel and services for housing male and female detainees. We previously responded to an RFI in November 2012 and submitted revised proposals in March and November 2013. This is similar to the RFI we responded to in 2012; however, the estimated bed numbers have increased to approximately 1,262 beds and more detail is provided regarding the required staffing and support spaces. The transportation requirements are the same as in the previous RFI and cover 54 counties in the Houston

Area of Responsibility. The RFI advised vendors who have responded to previous requests for information on this requirement should respond indicating their continued interest by resubmitting their information to include any updated information. Using the most recent information submitted to ICE as the base, we submitted our response by the October 2 due date and confirmed receipt. ICE issued the presolicitation notice for the RFP which should be released at any time. In the notice, ICE stated they are seeking approximately 1,262 beds for adult males and females within 50 miles of the Houston Field Office. The government expects to award a one year based period and nine option years, with full performance to begin by April 1, 2016.

Hawaii Department of Public Safety: Submitted December 26, 2013

The Hawaii Department of Public Safety (DPS) issued an RFI to learn more about potential approaches to designing, building, maintaining and financing the new or expanded Hawaii facilities described in the RFI. The state is seeking to develop adequate capacity for its correctional system on the Islands through expansions and new builds/larger replacement facilities, and this RFI represents a complete overhaul of the state's capacity. It is our understanding that other vendors have approached the state with ideas. The State of Hawaii will operate the facilities. Hawaii also reiterated its intent to bring home the 1,500 inmates from the Mainland as well as 300 jail inmates currently housed in non-DPS facilities on the Islands. We participated in an informational meeting with DPS; GEO, CGL, TJ Mahoney & Associates, Hensel Phelps Construction, M Hoffman, Hunt Companies, AEOOM and EO Integrated Systems were also in attendance. We partnered with Nan, Inc. and Stanford Carr Development, both firms local to Hawaii, on our submitted response.

Immigration and Customs Enforcement (ICE), Laredo: RFI Response Submitted March 26, 2013

Simultaneous to the previous RFP process for the Laredo Processing Center, in February 2013 ICE issued an RFI for approximately 600 beds in Laredo, Texas, to see what options were available for additional beds in the area. We modified our recently submitted office space and bed expansion proposal to meet the RFI requirements. We submitted our RFI response to ICE by the March 26, 2013 deadline. We provided additional information to ICE regarding our proposed bed and office expansion options per agency requests.

Mesa, Arizona: Submitted October 3, 2012

The City of Mesa, City of Chandler, Town of Gilbert, City of Tempe and City of Scottsdale, Arizona seek to establish an agreement with a qualified agency to provide jailing services to include booking, maintenance and operations of temporary housing of misdemeanor offenders. The facility must be able to house up to 500 prisoners a day and have the ability to expand to meet the growing needs of the area. The RFP indicated this number should be considered a minimum, but there was no guaranteed population level. CCA, Emerald, G4, UEB Builders and Sletten Companies attended the non-mandatory bidders' conference. We also learned that GEO, MTC and CEC downloaded the RFP as well. We submitted a proposal that offered beds at our Florence Correctional Center and other CCA facilities in Arizona. We responded to requested clarifications in May 2013 and January 2014. We received notification from the City of Mesa that the cities intend to enter into exclusive negotiations with CCA. On May 7, 2014, we made a presentation to the cities regarding our proposal and the meeting went well. The cities said their various commissions will have to approve the project so the exact timing is still unclear. As follow up, the cities provided misdemeanor population numbers as this is the population they would like to house under this contract. We revised our transportation plan based on the updated misdemeanor population information we received from the cities and submitted it to the RFP contact person. Representatives from the cities toured Saguaro and Florence

on October 29, 2014. Both tours went well with the cities thinking that the Saguaro layout best meets their needs. Participants will be talking with their elected officials about how to move the process forward politically. We provided answers to additional questions in December and January and agreed to extend our offer through September 30, 2015.

Submitted Proposals, Final Status Resolved:

Bureau of Prisons (BOP), Criminal Alien Requirement (CAR) 17: Cancelled on March 16, 2015. As background, the BOP originally issued the CAR 16 and CAR 17 RFPs simultaneously. CAR 16 encompassed facilities with a minimum of 1,200 beds to a maximum of 2,000 beds while CAR 17 procured facilities with a minimum of 2,001 beds to a maximum of 2,400 beds. On March 16, the BOP cancelled CAR 17 in its entirety. As previously mentioned, the BOP also amended CAR 16 to reduce the proposed facility size to a maximum of 1,800 beds and to incorporate the bed numbers from CAR 17 which kept the total number of beds for the combined procurement the same at 10,800.

Summary of Contract Renewals and Negotiations

Listed below is a summary of the contract renewals and other significant contract activity that has occurred since January 2015. Further detail regarding these transactions is included in the Federal, State and Local summaries.

The contract with Immigration and Customs Enforcement for the Houston Processing Center was extended for one year through March 30, 2016 to allow ICE time to complete a procurement process for a new contract. We are awaiting issuance of the RFP.

A one year renewal option was exercised for the contract with the Idaho Department of Corrections at the Kit Carson Correctional Center. The contract now expires July 10, 2016, and there is one one-year renewal option remaining.

We provided 180 days' notice to the Louisiana Department of Public Safety and Corrections to terminate the contract for the Winn Correctional Center. The termination will be effective at midnight on October 4, 2015 unless we otherwise agree to an earlier termination date.

The following contracts will expire by the end of the third quarter of 2015. If the contracts have renewal options remaining they are noted below. At this time we expect the renewals will be exercised:

- The Bureau of Prisons for the Eden Detention Center (expires April 30, 2015, one two-year renewal remaining)¹;
- The Oklahoma Department of Corrections for the Cimarron and Davis Correctional Facilities (expire June 30, 2015, four one-year renewals remaining);
- The Georgia Department of Corrections for the Coffee, Wheeler and Jenkins Correctional Facilities (expire June 30, 2015, nineteen one-year renewals remaining for Coffee and Wheeler and twenty one-year renewals remaining for Jenkins);
- The Montana Department of Corrections for the Crossroads Correctional Center (expires June 30, 2015, two two-year renewals remaining);
- The Vermont Department of Corrections for the Lee Adjustment Center and Florence Correctional Center (expires June 30, 2015, no renewals remaining, an RFP is pending);
- The New Mexico Department of Corrections for the New Mexico Women's Correctional Facility (expires June 30, 2015, one one-year renewal remaining, an RFP is pending);
- The Hawaii Department of Public Safety for the Saguaro Correctional Center (expires June 30, 2015, one one-year renewal remaining);
- Bernalillo County for the Torrance County Detention Facility (expires June 30, 2015, no renewals);
- San Diego County for the CAI Oceanview facility (expires June 30, 2015, two one-year renewals remaining);
- The Bureau of Prisons for the CAI Boston Avenue and Oceanview facilities (expires May 31, 2015, one one-year renewal remaining, an RFP is pending)²;

¹ We received notice of the BOP's intent to renew the contract and are waiting for them to send the renewal Modification.

² We received notice of the BOP's intent to renew the contract and are waiting for them to send the renewal Modification.

- The Bureau of Prisons for the Adams County Correctional Center (expires July 31, 2015, two two-year renewals remaining);
- The Texas Department of Criminal Justice for the Bartlett, Bradshaw, Lindsey and Willacy State Jails (expire August 31, 2015, one two-year renewal remaining);
- The Gila River Indian Community for the Central Arizona Detention Center (expires August 31, 2015, one one-year renewal remaining);
- Immigration and Customs Enforcement for the Elizabeth Detention Center (expires September 25, 2015, six one-year renewals remaining);
- The Bureau of Prisons for the Correctional Treatment Facility (expires September 28, 2015, no renewals remaining);
- Citrus County for the Citrus County Detention Facility (expires September 30, 2015, five year renewals remaining);
- The United States Marshals Service for the Nevada Southern Detention Center (expires September 30, 2015, three five-year renewals remaining);
- The United States District Court for the Southern District of California for the CAI Oceanview facility (expires September 30, 2015, no renewals remaining); and
- The United States Marshals Service for the West Tennessee Detention Facility (expires September 30, 2015, seven two-year renewals remaining).

The Public Affairs team continues to focus on effective public, media and partnership relationship strategies and management in support of company goals and initiatives. These efforts, which entail both proactive and reactive strategies, have been carried out in coordination with FSC, facility and outside consultant resources.

KEY HIGHLIGHTS

- Successfully consolidated the Public Affairs and Communications teams into one Communications department, enhancing the efficacy and efficiency of the company's communications efforts with external and internal stakeholders.
- Completed enhancements to the ChangeInPeople.com website that will lead to greater user experience and time spent on the site, while further refining related targeted advertising that continues to exceed industry standards.
- Conducted annual orientation training for fifteen new primary and back-up facility public information officers.

CONSOLIDATION

To further enhance the efficacy and efficiency of the company's communications efforts, the Public Affairs (Partnership) and Communications (HR) teams were consolidated into one communications department, effective April 13. The new department, which will continue to support internal and external communication needs companywide, resides in Partnership Development.

This consolidation takes a 'best practice' approach to communications and will provide important benefits to the company including:

- Easier access for communication needs and improved responsiveness;
- Streamlined efforts and resources that reduce and avoid redundancies; and
- Cohesive communication strategies that support business goals.

REPUTATIONAL MANAGEMENT**Digital Ad campaign**

During this reporting period, the digital ad campaign ran in targeted markets to support key federal, state, and local business development initiatives. Those markets included:

- Washington, D.C.
- National Governors Association (annual meeting in D.C.)
- Phoenix, AZ (during legislative session)
- Oklahoma City, OK (during legislative session)
- Denver, CO (during legislative session)
- Citrus County, FL (during county deliberations about future contract with CCA)

As a reminder, this reputational ad campaign is intended to target key persuadable audiences (influencers) with research-based messaging. Highlights for the reporting period include:

- By focusing in on our audience targets, we are improving results and delivering greater impact for every dollar spent.
- The unique mix of buying strategies, combined with additional testing and refining of ads/messages, continues to deliver results that exceed industry benchmarks – in some cases significantly.
- We are changing the website itself (www.ChangeInPeople.com) to further drive traffic, improve the user experience and support the growth of CCA.

Strategic Messaging: Reentry/Rehabilitation

We continue to incorporate this effective messaging in our public statements and other message platforms. In March, CCA prepared and submitted testimony on behalf of Damon to the Charles Colson Task Force on Federal Corrections. As with Damon's speech last fall to all CCA employees, the testimony laid out CCA's commitment to reducing recidivism through increased rehabilitation and reentry programming, outlined specific program areas of focus which have been demonstrated to make the greatest impact, and pointed to CCA's efforts to increase its reach in the community corrections space through further acquisitions.

MEDIA RELATIONS

We continue to pursue a two-prong media relations strategy of promotion and response in order to strengthen and defend CCA's strong reputation as the industry leader in partnership corrections. These efforts include: targeted media outreach and relationship building, proactive pitches of CCA's success stories, timely corrections of published misinformation and supporting facility PIOs with crisis media management and communication.

Promote Efforts

During this report period, the promote team continued our efforts to share stories about the positive work being done in our facilities with their local media. Over the past three months, we have secured more than 11 articles.

Following is a summary of highlights from promote efforts during this reporting period:

CCA recruiting efforts

- [Valley Morning Star: City Unites Under Job Fair](#)

Announcements

- [Hartsville Vidette: CCA hires warden for Trousdale prison](#)

Facility efforts

- [The Millen News: Inmates and greyhounds prison partnership](#)
- [Bent County Democrat: library receives books](#)
- [Jacksboro Gazette-News: Inmates get education opportunities at state jail](#)
- [The Star Beacon: LaECI inmates create cross for local church](#)
- [Hartsville Vidette: CCA officials visit Hartsville, answer questions](#)
- [The Star Beacon: LaECI rallies against child abuse and neglect](#)
- [Burlington Record: KCCC welcomes warden and assistant warden](#)

- [Henderson Daily News: Prison ministry breaking ground on chapel at Bradshaw prison](#)
- [San Angelo Standard Times: Prison PAWS pairs inmates with pooches](#)

Response Efforts

The Public Affairs team responded to numerous media inquiries on a range of issues, incidents and developments for CCA and the industry. Additionally, Public Affairs submitted several letters to the editors or OP/Eds during this reporting period. A summary of key response topics and events for this reporting period includes:

Immigration

News coverage of immigration policies and activities continues to be robust, with particular focus on family residential facilities. Recent allegations of abusive incidents and hunger strikes (unsubstantiated according to ICE) at a competitor's facility in Texas (Karnes) have led to greater scrutiny for all such facilities, including CCA's South Texas Family Residential Center.

ICE's Office of Public Affairs, under direction from DHS and the administration, continues to take the lead on media responses. While our ability to respond is limited by this stance, we continue to work closely with ICE/OPA to effect the messaging and, when allowed, to engage the media with our own statements. These efforts have included aggressively seeking and securing corrections to inaccuracies in coverage, along with issuing OP/Eds and letters to editors.

Arizona

The Arizona Republic published a flawed article with a highly inflammatory and false headline online (which differed from the print version) that insinuated the private corrections industry was partly culpable for a serious incident last year that involved the sexual assault of a state correctional officer in a state-operated facility. Public Affairs met with the reporter and editorial leadership to voice concerns and was successful in securing a correction to the story and headline.

Idaho

We continue to actively engage media outlets that publish inaccurate info/descriptions of CCA's previous settlement with IDOC and other Idaho-related matters. We have successfully secured multiple corrections and published letters to editors as well.

Northeast Ohio

Public Affairs developed talking points and media statements following the delivery of WARN notices to NEOCC employees and local/state officials as the BOP contract nears an end.

New York Times Magazine

Public Affairs has been aggressively engaging editorial leadership at the NYT following two published stories (by the same reporter) that were critical of CCA and the industry in the context of immigration detention. In both cases, CCA was not contacted until immediately before deadline by fact-checkers (never contacted by the reporter). We were successful in securing corrections to the first story and are awaiting resolution on the second one. Our broader goal is to ensure that the publication reaches out to CCA earlier in the process of stories covering our company and provides us an opportunity to comment.

Winn Correctional Facility

Public Affairs was actively engaged in media response on two separate fronts for the facility:

- Developed media statements and external messages following CCA's notification to LaDOC of the company's intent to discontinue management of the facility.
- In March CCA learned that a correctional officer employed at Winn (Shane Bauer) was also employed by Mother Jones Magazine (MJ). This info came to light when a MJ producer (James West) was arrested for criminally trespassing on facility grounds and the office quite shortly thereafter. Public Affairs aggressively engaged mainstream media to ensure that the unethical conduct of MJ and its employees was the focus of coverage. To date, MJ has not published a story, but we are monitoring and continuing to seek opportunities for public scrutiny of MJ tactics, with the goal of either preventing a story or mitigating its credibility if/when published.

PARTNERSHIP DEVELOPMENT SUPPORT

The Public Affairs team works closely with our government relations team to support partnership development initiatives and activities. This includes developing media/grassroots strategies, talking points and other forms of outreach as needed. Highlights from this reporting period include:

Citrus

Public Affairs developed talking points and media statements to support Partnership Development's ongoing efforts to secure a new contract (current contract set to expire in October). We also worked with the facility warden to publish a letter to the editor highlighting the many benefits CCA's longstanding partnership with the county has yielded for the community. Ongoing efforts to negotiate a contract have garnered local media attention and been the subject of publicly held county commissioners meetings.

Winn

Communications developed internal/external talking points and related statements following CCA's notification to LaDOC of the company's intent to discontinue management of the facility, and pending WARN notifications to employees and state/local officials.

U.S. Commission on Civil Rights Briefing

Following up on CCA's participation in February hearings, Public Affairs submitted a formal letter summarizing the company's key messages and facts around the company's commitment to detainee rights, and clarifying misinformation that was advanced by industry critics in subsequent panels. This letter will be included in the USCCR's final report.

Industry PR Working Group

Continue to meet periodically by conference call with public affairs counterparts at GEO and MTC to discuss industrywide public affairs challenges, opportunities and strategies.

PIO/FACILITY SUPPORT

Public Affairs continues to serve as the primary supporter and FSC liaison to facility PIOs, providing training, mentorship and written resources to facilitate effective media management at the facility level. These efforts include drafting media statements following incidents, developing local template releases

to coincide with national CCA releases and assisting PIOs with local story pitches. Highlights for this reporting period include:

Ongoing Communication and Training

- Conducted annual PIO orientation training March 3-5 at the FSC with fifteen new PIOs.
- Conducted group and individual orientation conference calls with new PIOs and back-ups.

Additional/Updated Resources

- Supported PIOs during annual facility crisis training drills
- Reviewed, edited and drafted numerous media statements and news releases for facility PIOs.

COMPETITOR SUMMARY

As of April 24, 2015

Cap Q2'15

BEDS*

	<u>MANAGED</u>	<u>CONTROLLED</u>	<u>TOTAL</u>	<u>%</u>
CCA	15,436	68,213	83,649	40%
GEO	24,062	48,412	72,474	35%
MTC	30,658	976	31,634	15%
CEC	5,101	0	5,101	2%
Lasalle	8,452	1,590	10,042	5%
EMERALD	4,258	0	4,258	2%
TOTAL	87,967	119,191	206,918	100%

* Assumes completion of GEO's acquisition of LCS.

Rows do not sum to total because Leo Chesney is included in counts for both CCA and GEO

SHARE BY COMPETITOR - (ROWS)

	<u>MANAGED</u>	<u>CONTROLLED</u>	<u>TOTAL</u>
CCA	18%	82%	100%
GEO	33%	67%	100%
MTC	97%	3%	100%
CEC	100%	0%	100%
Lasalle	84%	16%	100%
EMERALD	100%	0%	100%

SHARE BY TYPE - (COLUMNS)

	<u>MANAGED</u>	<u>CONTROLLED</u>
CCA	18%	57%
GEO	27%	41%
MTC	35%	1%
CEC	6%	0%
Lasalle	10%	1%
EMERALD	5%	0%
TOTAL	100%	100%

Includes all Market Beds

Cap Q2'15

Facility Location		CCA	GEO	CEC	Emerald	MTC	Lasalle	TOTAL
Alabama	#	0	1	0	0	0	0	1
	CAP	0	704	0	0	0	0	704
Alaska	#	0	1	0	0	0	0	1
	CAP	0	262	0	0	0	0	262
Arizona	#	6	3	0	1	2	0	12
	CAP	12,180	2,480	0	750	4,191	0	19,601
California	#	5	12	0	0	2	0	19
	CAP	4,301	5,519	0	0	3,280	0	13,100
Colorado	#	4	2	0	0	0	0	6
	CAP	5,454	2,782	0	0	0	0	8,236
Florida	#	2	6	0	0	1	0	9
	CAP	1,653	8,452	0	0	1,609	0	11,714
Georgia	#	5	3	0	0	0	1	8
	CAP	9,478	5,115	0	0	0	984	14,593
Idaho	#	0	0	0	0	1	0	1
	CAP	0	0	0	0	445	0	445
Indiana	#	1	2	0	0	0	0	3
	CAP	1,030	4,160	0	0	0	0	5,190
Kansas	#	1	1	0	0	0	0	2
	CAP	1,033	150	0	0	0	0	1,183
Kentucky	#	3	0	0	0	0	0	3
	CAP	2,298	0	0	0	0	0	2,298
Louisiana	#	1	6	0	1	0	7	8
	CAP	1,538	5,400	0	732	0	5,525	7,670
Michigan	#	0	1	0	0	0	0	1
	CAP	0	1,740	0	0	0	0	1,740
Minnesota	#	1	0	0	0	0	0	1
	CAP	1,600	0	0	0	0	0	1,600
Mississippi	#	2	0	0	0	4	0	6
	CAP	4,904	0	0	0	4,957	0	9,861
Montana	#	1	0	0	0	0	0	1
	CAP	664	0	0	0	0	0	664
New Jersey	#	1	0	0	0	0	0	1
	CAP	300	0	0	0	0	0	300
New Mexico	#	3	3	0	1	2	0	9
	CAP	2,635	2,425	0	140	2,447	0	7,647
New York	#	0	2	0	0	0	0	2
	CAP	0	332	0	0	0	0	332
Nevada	#	1	1	0	0	0	0	2
	CAP	1,072	124	0	0	0	0	1,196
North Carolina	#	0	1	0	0	0	0	1
	CAP	0	1,450	0	0	0	0	1,450
Ohio	#	2	0	1	0	1	0	4
	CAP	3,814	0	192	0	2,706	0	6,712
Oklahoma	#	4	2	0	0	0	0	6
	CAP	7,922	4,574	0	0	0	0	12,496
Pennsylvania	#	0	1	1	0	0	0	2
	CAP	0	1,820	1,883	0	0	0	3,703
Tennessee	#	7	0	0	0	0	0	7
	CAP	8,422	0	0	0	0	0	8,422
Texas	#	12	19	7	4	13	7	55
	CAP	11,851	21,359	3,026	2,636	11,999	3,533	50,871
Utah	#	0	1	0	0	0	0	1
	CAP	0	115	0	0	0	0	115
Virginia	#	0	1	0	0	0	0	1
	CAP	0	1,536	0	0	0	0	1,536
Washington	#	0	1	0	0	0	0	1
	CAP	0	1,575	0	0	0	0	1,575
Washington DC	#	1	0	0	0	0	0	1
	CAP	1,500	0	0	0	0	0	1,500
FACILITY COUNT		62	69	9	7	26	15	188
BEDS COUNT		83,649	72,074	5,101	4,258	31,634	10,042	206,518

	Facility Location	Facility	Number of Vacant Beds
			21,265
CCA	Colorado	Huerfano County Correctional Center	752
		Kit Carson Correctional Center	700
	Kentucky	Lee Adjustment Center	300
		Marion Adjustment Center	826
		Otter Creek Correctional Center	656
	Minnesota	Prairie Correctional Facility	1,600
	Ohio	Northeast Ohio Correctional Center	1,328
	Oklahoma	Diamondback Correctional Facility	2,160
	Tennessee	Shelby Training Center	200
	Washington DC	D.C. Correctional Treatment Facility	700
CCA Total			9,222
GEO	California	Leo Chesney Correctional Facility	240
	Colorado	Aurora ICE Processing Center	700
		Hudson	1,250
	Louisiana	J.B. Evans Corr. Ctr.	400
	Michigan	North Lake Correctional Facility	1,740
GEO Total			4,330
MTC	Texas	Willacy County Processing Center	3,106
MTC Total			3,106
OTHER	Mississippi	Delta Correctional Facility	1,172
	Texas	Bill Clayton Detention Center	370
		Limestone County Detention Center	1,014
		Newton County Correctional Center	924
		Jones County	1,127
OTHER Total			4,607
Grand Total			21,265